

**70A-2-326 Sale on approval and sale or return -- Rights of creditors.**

- (1) Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is:
  - (a) a "sale on approval" if the goods are delivered primarily for use; and
  - (b) a "sale or return" if the goods are delivered primarily for resale.
- (2) Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.
- (3) Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this chapter (Section 70A-2-201) and as contradicting the sale aspect of the contract within the provisions of this chapter on parol or extrinsic evidence (Section 70A-2-202).

Amended by Chapter 252, 2000 General Session